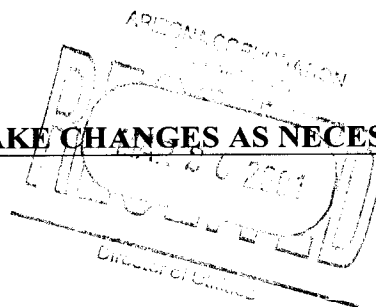


3/26/01 assessment db updated cm

3-26-01
cm

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02493A WATER
FOREST HIGHLANDS WATER COMPANY
658 FOREST HIGHLANDS
FLAGSTAFF AZ 86001-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
----	----	------

FOR COMMISSION USE

ANNOY	00
-------	----

COMPANY INFORMATION

Company Name (Business Name) Forest Highlands Water Company

Mailing Address 657 Forest Highlands

(Street)

Flagstaff

(City)

AZ

(State)

86001

(Zip)

(520) 525-9014

Telephone No. (Include Area Code)

(520) 525-1369

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Patricia Ashbrook Controller

(Name)

(Title)

657 Forest Highlands

(Street)

Flagstaff

(City)

AZ

(State)

86001

(Zip)

(520) 525-9014

Telephone No. (Include Area Code)

(520) 525-1369

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address pashbrook@fhgc.com

On Site Manager: William Strauss

(Name)

658 Forest Highlands

(Street)

Flagstaff

(City)

AZ

(State)

86001

(Zip)

(520) 525-1139

Telephone No. (Include Area Code)

(520) 525-1369

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address bstrauss@fhgc.com

Statutory Agent: Don Dyekman

(Name)

6750 E. Camelback Rd. #104

(Street)

Scottsdale

(City)

AZ

(State)

85251

(Zip)

(480) 481-0202

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Forest Highlands Water Co.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	104,284	-0-	104,284
302	Franchises	-0-	-0-	-0-
303	Land and Land Rights	-0-	-0-	-0-
304	Structures and Improvements	202,124	-0-	202,124
307	Wells and Springs	82,891	13,660	69,231
311	Pumping Equipment	1,387,697	1,356,316	31,381
320	Water Treatment Equipment	-0-	-0-	-0-
330	Distribution Reservoirs and Standpipes	9,899	247	9,652
331	Transmission and Distribution Mains	1,521,462	-0-	1,521,462
333	Services	175,200	-0-	175,200
334	Meters and Meter Installations	56,113	46,717	9,396
335	Hydrants	226,995	-0-	226,995
336	Backflow Prevention Devices	-0-	-0-	-0-
339	Other Plant and Misc. Equipment	-0-	-0-	-0-
340	Office Furniture and Equipment	53,582	45,519	8,063
341	Transportation Equipment	201,220	142,271	58,949
343	Tools, Shop and Garage Equipment	-0-	-0-	-0-
344	Laboratory Equipment	1,541	1,177	364
345	Power Operated Equipment	-0-	-0-	-0-
346	Communication Equipment	-0-	-0-	-0-
347	Miscellaneous Equipment	-0-	-0-	-0-
348	Other Tangible Plant	-0-	-0-	-0-
	TOTALS	4,023,008	1,605,907	2,417,101

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Forest Highlands Water Co.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	104,284	2.5%	2,607
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	202,124	2.5%	5,053
307	Wells and Springs	1,367,780	2.5%	34,194
311	Pumping Equipment	1,387,697	2.5%	34,692
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	194,035	2.5%	4,850
331	Transmission and Distribution Mains	1,521,462	2.5%	38,036
333	Services	175,200	2.5%	4,380
334	Meters and Meter Installations	57,673	2.5%	1,441
335	Hydrants	226,995	2.5%	6,674
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	50,563	2.5%	1,264
341	Transportation Equipment	201,220	2.5%	5,030
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment	1,541	2.5%	38
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	5,490,574		138,259

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 98,997	\$ 49,500
134	Working Funds		
135	Temporary Cash Investments	256,819	289,608
141	Customer Accounts Receivable	23,194	29,473
146	Notes/Receivables from Associated Companies	114,894	77,357
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	20,000	20,000
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 513,904	\$ 465,938
	FIXED ASSETS		
101	Utility Plant in Service	\$ 5,370,234	\$ 5,495,521
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1,605,907)	(1,605,907)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 3,764,327	\$ 3,889,614
	TOTAL ASSETS	\$ 4,278,231	\$ 4,355,552

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 616	\$ 4,250
232	Notes Payable (Current Portion)	198,531	140,262
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	20,338	18,382
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	21,186	19,100
	TOTAL CURRENT LIABILITIES	\$ 240,671	\$ 181,994
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	47,736	50,895
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	11,127	11,127
	TOTAL DEFERRED CREDITS	\$ 58,863	\$ 62,022
	TOTAL LIABILITIES	\$ 299,534	\$ 244,016
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 4,861,824	\$ 4,861,824
211	Paid in Capital in Excess of Par Value	169,973	176,564
215	Retained Earnings	(1,053,100)	(926,852)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 3,978,697	\$ 4,111,536
	TOTAL LIABILITIES AND CAPITAL	\$ 4,278,231	\$ 4,355,552

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 322,104	\$ 411,105
460	Unmetered Water Revenue		
474	Other Water Revenues	288	2,118
	TOTAL REVENUES	\$ 322,392	\$ 413,223
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 81,341	\$ 92,410
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	2,797	3,985
621	Office Supplies and Expense	3,724	5,963
630	Outside Services		
635	Water Testing	11,996	4,315
641	Rents	795	759
650	Transportation Expenses	71	352
657	Insurance – General Liability	11,643	11,849
659	Insurance - Health and Life	10,320	16,927
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	4,262	4,173
403	Depreciation Expense		138,259
408	Taxes Other Than Income		
408.11	Property Taxes	33,995	33,996
409	Income Tax	50	50
	TOTAL OPERATING EXPENSES	\$ 160,995	\$ 313,038
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 14,424	\$ 13,947
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$ 14,424	\$ 13,947
	NET INCOME/(LOSS)	\$ 175,821	\$ 114,132

COMPANY NAME Forest Highlands Water Co.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

N/A

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME Forest Highlands Water Co.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
514733	75	100	12	1200
155547	50	103	12	1412
517583	75	115	12	1255
518778	75	150	12	1350

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10.0	3		
2.0	2		
2.5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
.5mg	1	N/A	

STATISTICAL INFORMATION

Total number of customers	<u>611</u>	
Total number of gallons sold	<u>110,353,730</u>	gallons

COMPANY NAME Forest Highlands Water Co. YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 32,792.21

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$252,391</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>\$252,391</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
 Amount of Gross-Up Tax Collected _____
 Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3.23.01
DATE

Jack Grehan
PRINTED NAME

General Manager/CEO
TITLE

COMPANY NAME Forest Highlands Water Co. YEAR ENDING 12/31/2000

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

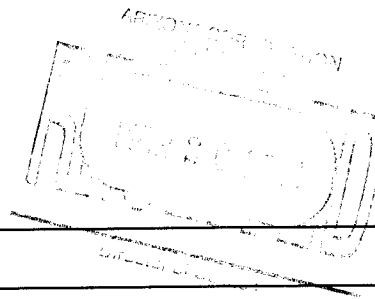
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ Same as page 13

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Coconino
NAME (OWNER OR OFFICIAL) TITLE Jack Grehan General Manager/CEO
COMPANY NAME Forest Highlands Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

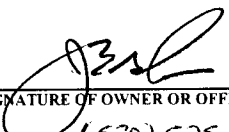
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 427,170

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 27,547
IN SALES TAXES BILLED, OR COLLECTED**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

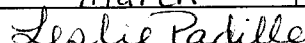

SIGNATURE OF OWNER OR OFFICIAL
(520) 525-9014
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

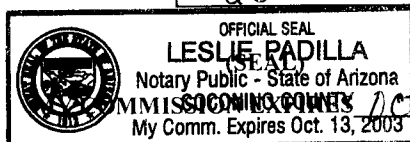
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 23rd **DAY OF**

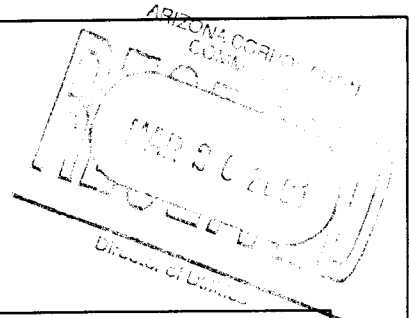
COUNTY NAME Coconino	
MONTH March	2001



SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Coconino	
NAME (OWNER OR OFFICIAL) Jack Grehan	TITLE General Manager/CEO
COMPANY NAME Forest Highlands Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>242,280</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 13,713
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF


THIS

23 rd

DAY OF

NOTARY PUBLIC NAME Leslie Padilla	
COUNTY NAME Coconino	
MONTH March	20 01



X 
SIGNATURE OF NOTARY PUBLIC

EXPIRES Oct. 13, 2003



Forest Highlands Association
657 Forest Highlands
Flagstaff, AZ 86001-8434
(520) 525-9014

116-56-030
116-45-075, 073A
116-44-077A
116-43-073
116-42-009
116-40-064

BANK ONE.
Bank One, Arizona, N.A.
Flagstaff Office (041)
Flagstaff, Arizona

91-2
1221

CHECK NO.: 028415

CHECK DATE 04/25/00

PAY*THIRTY THREE THOUSAND SIXTY FIVE DOLLARS AND 57 CENTS

DOLLARS***33,065.57*

TO THE
ORDER

Connie Fry
Coconino County Treasurer
110 E. Cherry
Flagstaff

116-38-002
116-38-001A
116-37-005
116-36-021
11635-115, 113, 111
AZ 86001 116-40-059
935-50-104, 100

FOREST HIGHLANDS ASSOCIATION

⑈028415⑈ ⑆122100024⑆ 0945⑈6717⑈ ⑈0003306557⑈

WARNING Do not accept this check unless you can see a true watermark.

AccountNum:9456717
CheckAmt:33065.57
ISTBATCHID:0
ProcDate:36775
SerialNum:28415

WFB TEMPE, AZ 05012000
TRACER# 1021 -017
▶1221-0527-84
4606262624
8

PAY TO THE ORDER OF
NORTHWEST BANK ARIZONA N.A.
122105278

04 28 00

MY DO 02
122100024

COCONINO COUNTY, ARIZONA
PHOENIX, ARIZONA

FOR DEPOSIT ONLY
CONNIE FRY
COCONINO COUNTY TREASURER
4754975839

AccountNum:9456717
CheckAmt:33065.57
ISTBATCHID:0
ProcDate:36775
SerialNum:28415



Forest Highlands Association
657 Forest Highlands
Flagstaff, AZ 86001-8434
(520) 525-9014

See attached list

BANK ONE.
Bank One, Arizona, NA
Flagstaff Office (041)
Flagstaff, Arizona

91-2
1221

CHECK NO.: 030339

CHECK DATE: 10/25/00

PAY *FORTY SEVEN THOUSAND THREE HUNDRED FIFTY ONE DOLLARS AND 12 CENTS
DOLLARS ****47,351.12*

TO THE
ORDER OF
Connie Fry
Coconino County Treasurer
110 E. Cherry
Flagstaff AZ 86001

FOREST HIGHLANDS ASSOCIATION

[Signature]

030339 122100024 09456717 *0004735112*

WARNING Do not accept this check unless you can see a true watermark.

AccountNum:9456717
CheckAmt:47351.12
ISTBATCHID:0
ProcDate:36834
SerialNum:30339

MEB TEMPE, AZ 10272000
TRACER 1982 014
▶1221-0527-84
0132737486

PAY TO THE ORDER OF
CONNIE FRY
122100024

10 26 00

FOR DEPOSIT ONLY
CONNIE FRY
COCONINO COUNTY TREASURER
4744903369

DT 30
122100024

122100024

AccountNum:9456717
CheckAmt:47351.12
ISTBATCHID:0
ProcDate:36834
SerialNum:30339